

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2005-303-C - ORDER NO. 2005-743
DECEMBER 19, 2005

IN RE: Application of Comcast Phone of South	)	ORDER GRANTING
Carolina, Inc. for an Amended Certificate of	)	MOTION FOR
Public Convenience and Necessity to	)	EXPEDITED REVIEW,
Provide Local Exchange and Interexchange	)	GRANTING AUTHORITY
Telecommunications Services, for Flexible	)	TO PROVIDE
Rate Structure for Local Exchange Service	)	INTEREXCHANGE
Offerings and for Alternative Regulation.	)	SERVICES AND
	)	AMENDED AUTHORITY
	)	TO PROVIDE LOCAL
	)	EXCHANGE SERVICES,
	)	AND GRANTING
	)	ALTERNATIVE AND
	)	FLEXIBLE REGULATION

This matter comes before the Public Service Commission of South Carolina (the Commission) on the Application of Comcast Phone of South Carolina, Inc. (Comcast or the Company) to amend its Certificate of Public Convenience and Necessity previously approved by this Commission by Order Nos. 98-409 and 2004-604 in Docket No. 98-54-C. Comcast requests authority to provide local telecommunications service within those portions of South Carolina served by Verizon South, Inc. (Verizon) and United Telephone Company of the Carolinas (Sprint) and interexchange services on a statewide basis. Comcast also requests flexible rate structure of its local exchange service offerings similar to that approved by Order No. 98-165 in Docket No. 97-467-C and alternative regulation approved by Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C, and as

modified by Order No. 2001-997 in Docket No. 2000-407-C. Comcast further requests the waiver of Commission Regulations 103-611, 103-631, and 103-612.2.3, as well as any other applicable regulations.

Pursuant to the instructions of the Commission's Docketing Department, the Company published a Notice of Filing and Hearing in newspapers of general circulation in affected areas of South Carolina. A Petition to Intervene was filed by the South Carolina Telephone Coalition (SCTC). Subsequently, Comcast filed a Motion for Expedited Review and the verified testimony of David Sered, Director of Regulatory/Government Affairs for the Southern Division of Comcast Cable Communications, LLC. No objections were filed regarding this procedure. Additionally, a Stipulation Agreement between the Company and the Office of Regulatory Staff (ORS) was filed. The Stipulation Agreement is attached hereto as Order Exhibit No. 1. Although this matter was originally assigned to be heard by a Hearing Examiner, as per Order No. 2005-630, we hereby rescind that Order, and we grant the Motion for Expedited Review before this Commission. Based on the verified testimony and the Stipulation Agreement, we also approve the Application as filed.

David Sered, Director of Regulatory/Government Affairs for the Southern Division of Comcast Cable Communications, LLC, presented verified written testimony. Sered testified that Comcast possesses the requisite financial, managerial and technical abilities to provide the services for which it has applied for authority. Sered noted that Comcast seeks to provide competitive local exchange service within those portions of the State served by Verizon and Sprint and interexchange service on a statewide basis.

Initially, Comcast intends to provide only exchange access within the Verizon and Sprint territories. The Company may expand its offerings to provide a full suite of voice and other services to business and residential customers within South Carolina. The Company plans to commence operations within the Verizon and Sprint territories following this Commission's granting of the requisite Certificate and execution of an interconnection agreement between Comcast and each ILEC, Verizon and Sprint.

Sered further noted that the granting of the amended Certificate would promote consumer choice, expand presently available services, and increase competition. The Company intends to comply with all Commission rules, statutes, and orders applicable to the telecommunications services that it will provide in South Carolina.

Based upon the record before the Commission, the Commission makes the following Findings of Fact and Conclusions of Law:

FINDINGS OF FACT

1. The Certificate of Public Convenience and Necessity awarded to Comcast by prior Commission Orders shall be amended to authorize the provision of local exchange service within Verizon and Sprint territories as well as BellSouth territory and the provision of interexchange service throughout South Carolina.

2. The Commission finds that Comcast possesses the necessary experience, capability, and financial resources to provide intrastate interexchange in South Carolina and local exchange telecommunications in Verizon and Sprint service areas in South Carolina, as well as BellSouth territory. S.C. Code Ann. Section 58-9-280(B)(1).

3. The Commission further finds that Comcast possesses the tools necessary to provide communications services which will meet the service standards of the Commission. S.C. Code Ann. Section 58-9-280(B)(2).

4. The Commission finds that the provision of local and intrastate interexchange service by Comcast will neither adversely impact the availability of local exchange service nor adversely impact the public interest and further that Comcast will support universally available telephone service at affordable rates. S.C. Code Ann. Section 58-9-280(B)(3), (4) & (5).

CONCLUSIONS OF LAW

1. The request for Expedited Review is granted on the basis of the facts as stated in this Order and pursuant to the verified testimony and the Stipulation Agreement with the Office of Regulatory Staff.

2. Based on the above findings of fact, the Commission approves and amends the Certificate of Public Convenience and Necessity of Comcast to allow Comcast to provide local exchange telecommunications and intrastate interLATA service in Verizon and Sprint service areas, as well as in BellSouth's service area, and to originate and terminate toll traffic within the same LATA, as set forth herein, through its own facilities and through the resale of intrastate Wide Area Telecommunications Services (WATS), Message Telecommunications Service (MTS), Foreign Exchange Service, Private Line Service, 800 inbound service, intraLATA direct dialed services or any other services authorized for resale by tariffs of carriers approved by the Commission throughout South Carolina.

3. The terms of the Stipulation Agreement between Comcast and the ORS are hereby approved and adopted as a part of this Order.

4. Comcast shall file, prior to offering local exchange services in Verizon and Sprint service areas in South Carolina, its final tariff of its local service offerings conforming to all matters discussed with ORS and comporting with South Carolina law in all matters. Comcast's local telecommunications services shall be regulated in accordance with the principles and procedures established for flexible regulation first granted to NewSouth Communications by Order No. 98-165 in Docket No. 97-467-C. Specifically, the Commission adopts for Comcast's competitive intrastate local exchange services a rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels that will have been previously approved by the Commission. Further, Comcast's local exchange service tariff filings are presumed valid upon filing, subject to the Commission's right within thirty (30) days to institute an investigation of the tariff filing, in which case the tariff filing would be suspended pending further Order of the Commission. Further, any such tariff filings will be subject to the same monitoring process as similarly situated competitive local exchange carriers.

5. The Commission adopts a rate design for Comcast for its residential interexchange services which includes only maximum rate levels for each tariff charge. A rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels has been previously adopted by the Commission. In Re: Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

6. Comcast shall not adjust its residential interexchange rates below the approved maximum level without notice to the Commission and to the public. Comcast shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. In Re: Application of GTE Sprint Communications, etc., Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level for residential services reflected in the tariff which would be applicable to the general body of Comcast's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp. 2004).

7. With respect to Comcast's interexchange business service offerings, consumer card, operator services, and customer network offerings, the Commission adopts a relaxed regulatory scheme identical to that granted to AT&T Communications in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C. Under this relaxed regulatory scheme, tariff filings for business services shall be presumed valid upon filing. The Commission will have seven (7) days in which to institute an investigation of any tariff filing. If the Commission institutes an investigation of a particular tariff filing within the seven days, the tariff filing will then be suspended until further Order of the Commission. Any relaxation in the future reporting requirements that may be adopted for AT&T shall

apply to Comcast also. These alternative regulation orders were modified by Order No. 2001-997 in Docket No. 2000-407-C which imposed a cap on operator-assisted calls where a consumer uses a local exchange carrier's calling card to complete calls from locations which have not selected the local exchange carrier as their toll provider. The provisions of this Order and this modification also apply to Comcast.

8. If it has not already done so by the date of issuance of this Order, Comcast shall file its revised interexchange tariff and an accompanying price list within thirty (30) days of receipt of this Order. The revised tariff shall be consistent with the findings of this Order and shall be consistent with the Commission's Rules and Regulations.

9. Comcast is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers and facilities-based interexchange carriers should be treated similarly.

10. With regard to Comcast's resale of interexchange service, an end-user should be able to access another interexchange carrier or operator service provider if the end-user so desires.

11. Comcast shall resell the services of only those interexchange carriers or LECs authorized to do business in South Carolina by this Commission. If the Company changes underlying carriers, it shall notify the Commission in writing.

12. With regard to the origination and termination of toll calls within the same LATA, Comcast shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993), with the exception of the 10-XXX inter-LATA dialing requirement, which has

been rendered obsolete by the toll dialing parity rules established by the FCC pursuant to the Telecommunications Act of 1996 (47 CFR 51.209). Comcast shall comply with the imputation standard as adopted by Order No. 93-462 and more fully described in paragraph 4 of the Stipulation and Appendix B approved by Order No. 93-462.

13. Comcast is required to file regular reports concerning their operations. Comcast shall file annual financial information in the form of annual reports and gross receipts reports as required by the Commission. Both the annual report and the gross receipt report will necessitate the filing of intrastate information. Therefore, Comcast shall keep financial records on an intrastate basis for South Carolina in order to comply with the Commission's requirements of filing annual reports and gross receipts reports with the Commission and the Office of Regulatory Staff. The proper form for filing annual financial information in the annual reports can be found at the Commission's website at www.psc.sc.gov/reference/forms.asp. The title of the forms which should be used to file the annual financial information are the "Annual Report for Competitive Local Exchange Carriers" and the "Annual Information on South Carolina Operations for Interexchange Companies and AOS." Comcast shall file its annual reports by **April 1st** of each year. Gross receipts forms are available on the website of the Office of Regulatory Staff at www.regulatorystaff.sc.gov/Teleforms/GrossReceipts.doc and are due to be filed no later than **August 31st** of each year. The appropriate form for remitting information for gross receipts is entitled "Gross Receipts Form for Utility Companies." Additionally, pursuant to the Commission's regulations, Comcast shall file a "CLEC Service Quality

Quarterly Report” with the Commission. The proper form for this report can be found at the Commission’s website at www.psc.sc.gov/reference/forms/asp.

14. Comcast shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests and repairs. In addition, Comcast shall provide to the Commission and ORS in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours. Comcast shall file the names, addresses and telephone numbers of these representatives with the Commission and the Office of Regulatory Staff within thirty (30) days of receipt of this Order. The “Authorized Utility Representative Information” form can be found at the Commission’s website at www.psc.sc.gov/reference/forms/asp. This form shall be utilized for the provision of this information to the Commission and ORS. Further, Comcast shall promptly notify the Commission in writing if the representatives are replaced.

15. The Federal Communications Commission (FCC) in July of 2000 required all telecommunications carriers throughout the United States to implement three-digit, 711, dialing for access to all Telecommunications Relay Services (TRS). The Commission issued a memorandum in March of 2001 instructing all South Carolina telecommunications carriers to implement the service completely by October of 2001. All competitive local exchange carriers and incumbent local exchange carriers were instructed to include language in their tariffs introducing 711 as a new service offering with deployment by July 1, 2001, and to translate 711 dialed calls to 1-800-735-2905.

All Payphone Service Providers (PSPs) were instructed to modify their programmable phones to translate calls dialed as 711 to the assigned TRS toll free number 1-800-735-2905 in order to route 711 calls to the TRS provider before October 1, 2001. Additionally, telephone directories were required to be updated and bill inserts promoting 711 were also required. Comcast must comply with applicable mandates.

16. Comcast is directed to comply with all Rules and Regulations of the Commission, unless a regulation is specifically waived by the Commission.

17. Comcast is further required to comply with, in accordance with its Application and under Title 23, Chapter 47 of the South Carolina Code Annotated, which governs the establishment and implementation of a “Public Safety Communications Center,” which is more commonly known as a “911 system” or “911 service.” Services available through a 911 system include law enforcement, fire, and emergency medical services. In recognition of the necessity of quality 911 services being provided to the citizens of South Carolina, the Commission hereby instructs Comcast to contact the appropriate authorities regarding 911 service in the counties and cities where the company will be operating. Contact with the appropriate 911 service authorities is to be made before beginning local telephone service in South Carolina. Accompanying this Order is a memo from the State 911 Office of the Office of Research & Statistics of the South Carolina Budget and Control Board. This memo provides information about contacting County 911 Coordinators. By this Order and prior to providing local telephone services in South Carolina, Comcast shall contact the 911 coordinator in each county (and

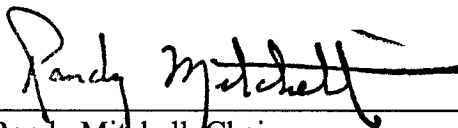
city where the city has its own 911 system) and shall provide information regarding the Company's operations as required by the 911 system.

18. Each telecommunications company certified in South Carolina is required to file annually the Intrastate Universal Service Fund (USF) worksheet. This worksheet provides the Commission Staff information required to determine each telecommunications company's liability to the State USF fund. The Intrastate USF worksheet is due to be filed annually no later than **August 15th**.

19. Waiver of Regulations 103-611, 103-631, and 103-612.2.3 is granted as being in the public interest. Unusual difficulty is certainly presented with compliance by the Company.

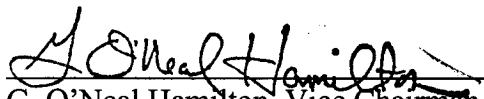
20. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:



Randy Mitchell, Chairman

ATTEST:



G. O'Neal Hamilton, Vice Chairman

(SEAL)

BEFORE

THE PUBLIC SERVICE COMMISSION OF

SOUTH CAROLINA

DOCKET NO. 2005-303-C

RECEIVED
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SC PUBLIC SERVICE
COMMISSION

IN RE: In the matter of the Application of Comcast
Phone of South Carolina, Inc. for an Amended
Certificate of Public Convenience and
Necessity to Provide Local Exchange and
Interexchange Telecommunications Services,
For Flexible Rate Structure for Local
Exchange Service Offerings First Approved in
Docket No. 97-467-C, and for Alternative
Regulation First Approved in Docket No. 95-
661-C

STIPULATION
AGREEMENT

This Stipulation Agreement is made by and among the Office of Regulatory Staff
of South Carolina ("ORS") and Comcast Phone of South Carolina, Inc. ("CPSC"),
collectively referred to as the "Parties" or sometimes individually as a "Party."

WHEREAS the South Carolina Public Service Commission ("Commission") in
Order Nos. 98-409 and 2004-604 in Docket No. 98-054-C previously approved a
certificate of Public Convenience and Necessity for Comcast to provide local exchange
telecommunications services, private line, and special access services within those areas
of South Carolina served by BellSouth Telecommunications;

WHEREAS CPSC filed an Application with the Commission in the present
matter on or about September 29, 2005 wherein CPSC requested to amend its Certificate
of Public Convenience and Necessity by expanding its service area for providing local
telecommunications service to include those portions of South Carolina served by
Verizon South, Inc. ("Verizon") and United Telephone Company of the Carolinas

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("Sprint") and inter-exchange service on a statewide basis and, further, for flexible rate structure of its local exchange service offerings similar to those provided by the Commission in Order No. 98-165 and alternative regulation similar to those approved in Commission Order Nos. 95-1734 and 96-55, as modified by Order No. 2001-997;

WHEREAS, the parties to this Stipulation Agreement are both parties of record in the above-captioned docket;

WHEREAS, the Parties have engaged in discussions, most recently on November 14, 2005 to determine if a stipulation of the facts in this proceeding would be in their best interest;

WHEREAS, following these discussions the Parties determined that their interest and the interests of the Public would be best served by stipulating to the following as set forth below:

1. The ORS agrees to stipulate into the record before the Commission the pre-filed direct testimony of Comcast witness David Sered, Director of Regulatory/Government Affairs for the Southern Division of Comcast Cable Communications, without objection, change, amendment, or cross-examination.
2. The Parties stipulate that CPSC is a direct, wholly-owned subsidiary of Comcast Phone II, Inc. which is a wholly-owned indirect subsidiary of Comcast Corporation headquartered at 1500 Market Street, Philadelphia, Pennsylvania. Comcast Corporation is the largest cable company in the United States, serving over 21 million cable subscribers. CPSC is a

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corporation organized and existing under the laws of the State of South Carolina. CPSC is registered with the South Carolina Secretary of State and holds a Certificate of Authority to transact business within the State of South Carolina.

3. The Parties stipulate that CPSC is a provider of local exchange and interexchange telecommunications services and wishes to expand its local exchange services to those areas of South Carolina served by Verizon and Sprint and to provide interexchange services on a state-wide basis.
4. The parties stipulate as evidenced by the pre-filed testimony of CPSC witness David Sored, and the documents filed with the Commission, that CPSC possesses the technical and managerial expertise and financial resources to expand its telecommunications services in South Carolina.
5. The Parties further agree and stipulate that it is in the public interest for CPSC to be provided authority to provide local telecommunications service within those portions of South Carolina served by Verizon and Sprint by increasing the level of competition in the South Carolina telecommunications market.
6. The Parties stipulate that CPSC is entitled to a flexible rate structure of its local service offerings similar to that approved by the Commission in Order No. 98-165 and alternative regulation as approved in Order Nos. 95-1734 and 96-55 and as modified by Order No. 2001-997.
7. The Parties stipulate and CPSC agrees to, and will, provide services which will meet any applicable service standards of the Commission and will

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participate in the support of universally available telephone service at affordable rates to the extent that CPSC may be required to do so by the Commission.

8. The ORS agrees and the Parties stipulate that CPSC's "provision of service will not adversely impact the availability of affordable local exchange service." S.C. Code Ann. §58-9-280(B)(3) (Supp. 2004).
9. The ORS agrees and the Parties stipulate that the provision of local exchange service by CPSC will not "adversely impact the public interest." S.C. Code Ann. §58-9-280(B)(5) (Supp. 2004).
10. CPSC agrees to initially offer exchange access services in a carrier to carrier environment and that if CPSC offers additional services at some future date to be bound by the alternative regulation provisions and limitations as set forth in S.C. Code Ann. §58-9-575 (Supp. 2004) or as ordered by the Commission. The ORS agrees and hereby stipulates that CPSC has shown good cause for and is entitled to alternative regulation of its interexchange business offerings as set forth in Order Nos. 95-1734 and 96-55 in Docket No. 95-661 and as modified by Order No. 2001-997 (Docket No. 2000-407-C).
11. ORS stipulates that CPSC has shown good cause for, and is entitled to, regulation by the Commission for its local exchange services to be regulated in accordance with the principles and procedures established for flexible regulation in accordance with such regulation as was first granted by the

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Commission to New South Communications by Order No. 98-165 in Docket No. 97-467-C and as set forth in S.C. Code Ann. §58-9-575 (Supp. 2004).

12. The Parties stipulate and agree that CPSC will comply with all applicable Rules and Regulations of the Commission except for those which the parties agree that CPSC is entitled to be waived upon approval by the Commission, specifically: (i) CPSC has shown good cause, and ORS agrees to, the waiver of the Financial Record Keeping Requirements of S.C. Code of Regulations Reg. 103-611 based on CPSC's usage of the GAAP system of accounts; (ii) ORS agrees that CPSC is further entitled to a waiver of the requirement under Regulation 103-631 that it publish a local directory based on CPSC's pledge and agreement herein to make arrangements with the incumbent LEC(s) whereby the names of CPSC's local exchange customers will be included in the directories published by the incumbent LEC(s); (iii) CPSC has further shown good cause, and the ORS stipulates to the waiver of the requirement under Regulation 103-612.2.3 that CPSC file maps with the Commission showing its certificated area as CPSC will be offering service only within the geographic service areas of incumbent LEC(s).

13. The Parties agree to cooperate in good faith with one another in recommending to the Commission that this Stipulation Agreement be accepted and approved by the Commission as a fair, reasonable and full resolution of the issues in the above captioned proceeding between CPSC and the ORS. The Parties agree to use reasonable efforts to defend and support

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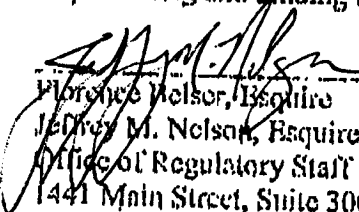
any Commission Order issued approving or adopting this Stipulation and the terms and conditions contained herein.

14. The Parties agree that by signing this Stipulation, it will not constrain, inhibit or impair their arguments or positions held in future proceedings. If the Commission should decline to accept the terms of this Stipulation in its entirety, then any Party desiring to do so may withdraw from the agreement without penalty.

15. Each Party acknowledges its consent and agreement to this Stipulation by authorizing its counsel to affix his or her signature to this document where indicated below. Counsel's signature represents his or her representation that his or her client has authorized the execution of the agreement. Facsimile signatures and e-mail signatures shall be as effective as original signatures to bind any party. This document may be signed in counterparts, with the various signature pages combined with the body of the document constituting an original and provable copy of the Stipulation.

WE AGREE:

Representing and binding the Office of Regulatory Staff:



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WE AGREE:

Representing and binding Comcast Phone of South Carolina, Inc.



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